STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

1594 West North Temple - Suite 1210 Box 145801

Salt Lake City, Utah 84114-5291 Telephone: (801) 538-5291 Fax: (801) 359-3940

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

	Gene	ral information
	1.	Report Time Periods: From (mo./yr.) Jan. 2003 To (mo./yr.) Dec. 2003
	2.	DOGM File Number (Mine No.) M / 047 / 013
	3.	Mine Name: Z.C.M.C.
	4.	Mineral(s) Mined (or permitted to mine): Gilsonite
	5.	Type of Mine: Surface Mine or X <u>Underground Mine</u>
	6.	Legal Description (Location of Lands Affected):
		S1/2,NE_1/4,1/4, Section16, Township9S, Range24E
		SE_1/4,1/4,1/4, Section_16_, Township_9S, Range_24E_
	7.	Name of Operator or Company: Ziegler Chemical & Mineral Corp.
	8.	Permanent Street Address: 30 Jericho Executive Plaza, Suite 300C
		City, State, Zip: Jericho, New York 11753-2710
		Phone: (516) 876-0550 Fax: (516) 876-0554
	9.	Company Representative (or designated operator):
		Name: Stan Wagner
		Title: Mine Superintendent
		Business Address: Star Route
		City, State, Zip: Vernal, Utah, 84078
		Phone: (435) 789-3593 Fax: (435) 789-3593
		□ Please check if any of the above information has changed since previous year.
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	1.	Was there any mine related activity during the past year? Yes X No If no, what was the last year of activity? If yes, how much ore or mineral was mined: 13,230 ton RECEIVE JAN 2 2 2004 DIV. OF OIL, GAS & MI
	2.	If no, what was the last year of activity?
	3.	If yes, how much ore or mineral was mined: 13,230 ton
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- 4. Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the past year. None
- 5. How much additional acreage was disturbed during the past year? None
- 6. How much acreage was reclaimed during the past year. None
- 7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.
- 8. What is the total disturbed acreage of entire project at years end? 13 acres.
- 9. Briefly summarize any mining and/or reclamation plans for the upcoming year.

Z.C.M.C. will continue mining in the year 2004.

NOTE: Section III., "Additional Information" applies only to <u>large mining operations</u>.

III. Additional Information

- 1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
- 2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.
- IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Printed):

Stan Wagner

Title of Operator:

Mine Superintendent

Signature of Operator:

January 10, 2004

Date:

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